(52)

AV 4 PT-25
XR AV 6 PT
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AV

INCOMING TELEGRAM *Department of State*

46 Action
33 Info

CONFIDENTIAL

DECLASSIFIED

VZCZCFHA7410A820
PP RUEHC
DE RUFHRO 6031 1361120
ZNY CCCCC
P R 161107Z MAY 67
FM AMEMBASSY ROME
TO RUEHC/SECSTATE WASHDC PRIORITY
INFO RUFNCR/AMEMBASSY PARIS
RUFUDA/AMEMBASSY BUDAPEST
STATE GRNC
BT
C O N F I D E N T I A L ROME 6031

015463
1967 MAY 16 AM 7 51

Range 600 s/c/67

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY _____ DATE 25 MAY 1982
RDS☐or XDS☐EXT. DATE _____
TS AUTH. _____ REASON(S) _____
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED☐ RELEASABLE☐
RELEASE DENIED☐
PA or FOI EXEMPTIONS _____

LIMDIS

BUDAPEST FOR SECRETARY SOLOMON

SUBJECT: CIVAIR

DEPARTMENT PASS CAB BOARD MEMBERS

(2)

1. USDEL HAS PLANNED TO ADVISE GOI THAT ALITALIA SHOULD FILE APPLICATION FOR EXTENSION OF ITS FOREIGN AIR CARRIER PERMIT IN MANNER THAT WOULD MINIMIZE EFFECT ON NEGOTIATIONS. TO ACHIEVE THIS END, EMBASSY PREPARED (BUT HAS NOT DELIEVERED) NOTE VERBALE TO ITALIANS CONFIRMING CONSEQUENCES OF ALITALIA FAILURE TO FILE FOR EXTENSION ITS 402 PERMIT. IT IS PHRASED SOMEWHAT AS RESPONSE TO ITALIAN NOTE VERBALE OF APRIL 22 WHICH APPROVED SUMMER SCHEDULE

PAGE 2 RUFHRO 6031 C O N F I D E N T I A L
US CARRIERS TO JUNE 1 AND SAID SERVICES THEREAFTER COULD BE REGULATI
ON BASIS OF AGREEMENT GOI HOPED TO CONCLUDE BEFORE THAT DATE.
COPY OUR NOTE POUCHED.

2. CLOSING PARAGRAPH STATES THAT "IT IS THE OPINION OF THE COMPETENT UNITED STATES GOVERNMENT AUTHORITIES THAT, UNDER THE TERMS OF SECTION 9 (B) OF THE ADMINISTRATIVE PROCEDURE ACT, IF ALITALIA FILES A REQUEST FOR RENEWAL OF ITS PERMIT PRIOR TO THE END OF MAY, THE PERMIT WILL AUTOMATICALLY BE EXTENDED UNTIL THE COMPLETION OF THE RENEWAL PROCEEDING. THE QUES[illegible] OF WHETHER OR NOT SERVICES SHOULD CEASE, OR THE TERMS AN[illegible]CONDITION[illegible] UNDER WHICH THEY MIGHT BE CONTINUED IN THE ABSENCE OF A BILATERAL AGREEMENT, WOULD HAVE TO BE DETERMINED IN THE RENEWAL PROCEEDING WITHIN THE TERMS OF ESTABLISHED UNITED STATES AVIATION POLICIES AND STATUTORY STANDARDS."

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3. EMBASSY HAS DELAYED DELIVERY OF NOTE AS WE CONSIDER IT WILL BE READ BY ITALIANS AS CONFIRMATION OF THEIR ASSUMPTION THAT US WILL NOT PERMIT SERVICES TO BE INTERRUPTED. WE THINK IT WILL BE DIFFICULT FOR ITALIANS TO BELIEVE THAT THIS POSITION IS LOGICAL CONSEQUENCE OF THE PECULIAR US STATUTORY SCHEME. CONSEQUENTLY WE HAD HOPED TO DELAY DELIVERY THIS NOTE UNTIL WE COULD MAKE

STATEMENT ACROSS TABLE CONCERNING CESSATION OF SERVICES. WE EXPECT TO DELIVER NOTE NEXT DAY OR TWO.

4. WE MUST SAY IN ALL HONESTY THAT WE BELIEVE FAILURE TO SPEAK CLEARLY ACROSS TABLE ABOUT CESSATION OF SERVICES (ESPECIALLY IN VIEW OF DELIVERY OF NOTE) WILL MAKE IT CONSIDERABLY MORE DIFFICULT TO PUSH ITALIANS TO CONCLUDE AGREEMENT BY MAY 31. THERE I JUST LITTLE REASON WHY THEY SHOULD FEEL PRESSURED BY THAT DATE. OUR BELIEF IS THAT ANY CHANCE OF GETTING ITALIAN ACCEPTANCE OF OUR ROUTE OFFER IS SUBSTANTIALLY DIMINISHED WITHOUT SUCH PRESSURE. WE ARE CONVINCED THAT IT WILL BE MORE DIFFICULT TO MAKE AN AGREEMENT SATISFACTORY TO THE US AFTER MAY 31 THAN BEFORE. WHATEVER WE HAVE PUT ON THE TABLE BY MAY 31 WILL BE CONSIDERED BY ITALIANS AS MINIMUM THEY CAN EXPECT. THEY WILL ASSUME THAT WITH PRESSURE RESULTING FROM OPERATION ON PERMIT BASIS, AND POLITICAL PRESSURE THEY WILL BRING, FINAL AGREEMENT WILL ENDP BETTER FOR THEM THAN IT WOULD HAVE IF CONCLUDED PRIOR MAY 31. WE SHALL KNOW MORE IN THE NEXT FOUR OR FIVE DAYS.

GP-4. REINHARDT

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